



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT: Alex Nugent

EXAMINER: Peter Coughlan

SERIAL NO.: 10/730,708

GROUP: 2129

FILED: 12/08/2003

ATTY DKT NO.: 1000-1214

**TITLE: ADAPTIVE NEURAL NETWORK UTILIZING
NANOTECHNOLOGY-BASED COMPONENTS**

DECLARATION PURSUANT TO 37 C.F.R. §1.131

Dear Sir:

I, Alex Nugent, declare as follows:

1. I am the inventor of the subject matter claimed in U.S. Patent Application Serial No. 10/730,708, which was filed on March 12, 2002 and published as U.S. Patent Application Publication No. US20030177450 and issued as U.S. Patent No. 6,889,216. Copies of U.S. Patent Application Publication No. US20030177450 and U.S. Patent No. 6,889,216 are presented in Exhibit A herewith.

2. I am aware that claims in the above-captioned U.S. patent application serial No. 10/730,708 stand rejected in the Office Actions dated April 6, 2006 and July 19, 2006 under 35 U.S.C. §103(a) as being unpatentable over Olson and/or Nagahara and/or Mehrotra, and/or Tapang. I am further aware that for purposes of 35 U.S.C. §103(a), the effective date of the Olson reference is September 18, 2002.

7. Exhibit C includes a sample web page from the KnowmTech web site, which contains information indicating that I am the President of KnowmTech, LLC.

8. The subject matter of the Olson reference relied upon by the Examiner in the April 6, 2006 Office Action is Applicant's own invention and was originally described in U.S. Patent Application Serial No. 10/095,273, which was filed on March 12, 2002 and issued as U.S. Patent No. 6,889,216 on May 3, 2005 entitled: "Physical Neural Network Design Incorporating Nanotechnology". U.S. Patent Application Serial No. 10/095,273 was also published as U.S. Patent Publication No. US20030177450 on September 18, 2003.

9. U.S. Patent Application Serial No. 10/095,273 (shown in Exhibit A) discloses a technique of self-assembly to form connections in a dielectric solution, where electrical fields can be used to strengthen or weaken certain connections for use in dense and sophisticated arrays of neural "synapse" connections, which is the same technique/system described in the Olson reference.

10. In Exhibit A, submitted herewith, copies of the cover sheets of published Patent Application No. US20030177450 and U.S. Patent No. 6,889,216 are presented, which both claim priority to the filing date of March 12, 2002 of U.S. Patent Application Serial No. 10/095,273, which predates the Olson reference. Exhibit A demonstrates that I conceived and

constructively reduced to practice pertinent subject matter as discussed in the Olsen reference, and that the subject matter of the Olson reference was claimed by me in the above captioned patent application prior to the effective date of the Olson reference. Filing of a patent application demonstrates effective reduction to practice (and hence conception). As such, the filing of the patent application referenced in Exhibit A is sufficient evidence of conception and reduction to practice. The patent application (and resulting issued patent) shown in Exhibit A is assigned to and owned by KnowmTech, LLC (see patent cover sheet for assignee information).

11. Based on my personal knowledge, the inventive aspect of a plurality of neurons and nanoconnections cited by the Examiner with respect to the Olson reference was completely conceived by me before the March 12, 2002 filing date of U.S. Patent Application Serial No. 10/095,273 and before the September 18, 2002 date of the Olson reference, the subject matter of which is owned by my company, KnowmTech, LLC incorrectly referred to as "LowmTech LLC" in the Olson reference. U.S. Patent Application Serial No. 10/095,273 and the resulting U.S. Patent No. 6,889,216 are assigned to KnowmTech, LLC.

12. Based on my personal knowledge, I also believe that Olson does not provide for any teaching of an adaptive neural network.

13. The Applicant therefore submits this declaration under 37 CFR 1.131 overcomes the prior art rejections in the Office Actions dated April 4, 2006 and July 19, 2006 by proving that the invention of the claimed subject



3. All of the facts described hereinafter occurred in the United States of America.

4. The Olson reference generally describes subject matter dealing with neural networks, nanoconnections and neurons, and is cited by the Examiner in the April 6, 2006 Office Action as the product of a startup company referred to as "LowmTech LLC".

5. I am personally familiar with the circumstances of the invention of the subject matter described in the Olson reference as I am the president and owner of a company called "KnowmTech, LLC" based in New Mexico, which I believe was incorrectly referred to in the Olson reference as "LowmTech LLC". I believe that the Olson reference should have referred to "KnowmTech, LLC" and that the author of the Olson reference incorrectly spelled "LowmTech LLC" instead of "KnowmTech LLC".

6. Exhibit B includes organizing documents filed with the State of New Mexico for KnowmTech, LLC in 2002. This information evidences my ownership interest in KnowmTech, LLC, which is the assignee and owner of U.S. published Patent Application No. US20030177450 (i.e., U.S. Patent Application No. 10/095,273 filed on March 12, 2002) and U.S. Patent No. 6,889,216 shown in Exhibit A. I am also the inventor of the subject matter described in the Olson reference as this subject matter is disclosed and taught by U.S. published Patent Application No. US20030177450 (i.e., U.S. Patent Application No. 10/095,273 filed on March 12, 2002) and U.S. Patent No. 6,889,216 shown in Exhibit A.



matter is prior to the effective date of the Olson reference relied upon by the Examiner in the rejections set forth in the April 4, 2006 Office Action, thereby removing the Olsen reference as a prior art reference as asserted by the Examiner in the April 4, 2006 and July 19, 2006 Office Actions.

14. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 10 of the United States Code, and that such willful false statements may jeopardize the validity of the application, and patent issuing thereon, or any patent to which this declaration is directed.

A handwritten signature in black ink, appearing to read "Alex Nugent", written over a horizontal line.

Alex Nugent

Dated: August 14, 2006

EXHIBIT B

Limited Liability Company Documents for "KnowmTech, LLC"

**LIMITED LIABILITY COMPANY
DOCUMENTS**

prepared for

KNOWMTECH LLC

by

**JAMES E. SNEAD
JONES, SNEAD, WERTHEIM, WENTWORTH & JARAMILLO, P. A.
215 Lincoln Avenue
Post Office Box 2228
Santa Fe, New Mexico 87504-2228**

Telephone: (505) 982-0011

2002 JAMES E. SNEAD

TABLE OF CONTENTS

1. **CERTIFICATE OF ORGANIZATION** dated August 7, 2002, with attached **ARTICLES OF ORGANIZATION** executed on August 1, 2002
2. **OPERATING AGREEMENT** executed on August 1, 2002
3. **LLC MEMBERSHIP CONTRIBUTION AGREEMENT** executed on August 1, 2002
4. **CERTIFICATE OF MEMBERSHIP** for **ALEX NUGENT** executed on August 1, 2002
5. **CERTIFICATE OF MEMBERSHIP** for **LUIS ORTIZ** executed on August 1, 2002
6. **CERTIFICATE OF MEMBERSHIP** for **KERMIT LOPEZ** executed on August 1, 2002
7. **CERTIFICATE OF MEMBERSHIP** for **HILLARY RIGGS** executed on August 1, 2002
8. **MINUTES OF INITIAL MEETING OF MEMBERS** executed on August 1, 2002
9. **NEW MEXICO TAXATION AND REVENUE APPLICATION FOR CRS IDENTIFICATION NO. 02-498470-00-1** executed on August 7, 2002
10. **APPROVAL LETTER** from the **NEW MEXICO PUBLIC REGULATION COMMISSION** dated August 9, 2002



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF ORGANIZATION

OF

KNOWMTECH LLC

2272250

The Public Regulation Commission certifies that the Articles of Organization, duly signed & verified pursuant to the provisions of the

LIMITED LIABILITY COMPANY ACT
(53-19-1 TO 53-19-74 NMSA 1978)

have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Organization and attaches hereto, a duplicate of the Articles of Organization.

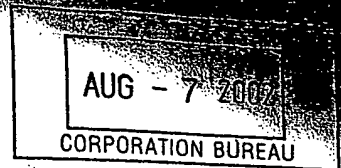
Dated: AUGUST 7, 2002

In testimony whereof, the Public Regulation of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to affixed at the City of Santa Fe.

Linda Long
Chairwoman

Robert K. Lambert
Bureau Chief

ARTICLES OF ORGANIZATION OF
KNOWMTECH
LIMITED LIABILITY COMPANY



The undersigned persons form a limited liability company (LLC) under the New Mexico Limited Liability Company Act and adopt the following as the Articles of Organization of the LLC:

I.

The name of the LLC is: KNOWMTECH LLC

II.

The duration of the Company will be perpetual from the date of filing of these Articles of Organization with the New Mexico Public Regulation Commission.

III.

The purpose for which the LLC is organized: The Company will engage in the business of an intellectual property holding company.

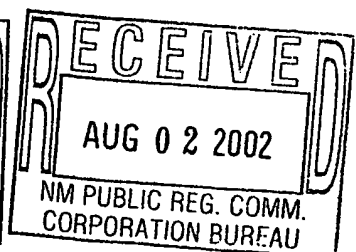
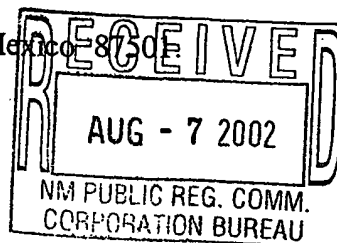
In addition, the Company will have unlimited power to engage in and do any lawful act concerning any or all lawful businesses for which LLCs may be organized according to the laws of the State of New Mexico, excluding banking and insurance, including all powers and purposes now and hereafter permitted by law to an LLC.

IV.

The address of the registered office in New Mexico is: 1807 Second Street, #28, Santa Fe, New Mexico 87501.

V.

The name and address of the registered agent and office in New Mexico is: Hillary Riggs, 1807 Second Street, #28, Santa Fe, New Mexico 87501



VI.

The total amount of cash and a description and agreed value of property other than cash contributed by each member is contained in the Contribution Agreement, executed contemporaneously with these Articles.

VII.

The total additional contributions, if any, agreed to be made by all members and the times at which or events on the happening of which they will be made are as shown in the Contribution Agreement executed contemporaneously herewith.

Initial ownership interests are as follows:

Alex Nugent	47.05%
Hillary Riggs	17.65%
Luis Ortiz	17.65%
Kermit Lopez	<u>17.65%</u>
	100%

VIII.

Additional contributions will be made at such times and in such amounts as may be agreed by the Company and/or the members as provided in the Operating Agreement of the Company.

IX.

The right, if given, of the members to admit additional members, and the terms and conditions of the admission are as follows: Additional members may be admitted at such times and on such terms and conditions as all members may unanimously agree and as provided in the Operating Agreement of the Company. The initial members understand that they may admit an additional member for a fifteen percent (15%) interest pro rated among the initial members.

X.

The right, if given, of the remaining members of the Company to continue the business on the death, retirement, resignation, expulsion, bankruptcy or dissolution of a member or occurrence of any other event which terminates the continued membership of a member in the Company is as follows: The remaining members of the Company may continue the business upon the termination of membership of a member in the Company on unanimous agreement and as provided in the Operating Agreement of the Company.

XI.

MANAGEMENT

Management of the Company shall be fully vested in its Members. The name and address of the Members who will serve until the first annual meeting of members or until their successors are elected and qualified are: ALEX NUGENT and HILLARY RIGGS, whose address is 1807 Second Street, Santa Fe, New Mexico 87505, and LUIS M. ORTIZ and KERMIT D. LOPEZ whose address is 166 Galisteo Lane, Santa Fe, New Mexico 87505.

XII.

*** INDEMNIFICATION**

A. The Company will indemnify an individual made a party to a proceeding because he/she is or was a manager, officer, organizer, employee or agent of the Company against liability incurred in the proceeding if:

1. He or she conducted herself or himself in good faith;
2. He or she reasonably believed that his or her conduct was in or at least not opposed to the Company's best interest; and

3. In the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

B. Indemnification will also be provided for an individual's conduct with respect to an employee benefit plan if the individual reasonably believed his or her conduct to be in the interests of the participants in and beneficiaries of the plan.

C. The Company will pay for or reimburse the reasonable expenses incurred by a manager, officer, organizer, employee or agent of the Company who is a party to a proceeding in advance of final disposition of the proceeding if:

1. The individual furnishes the Company a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in these Articles;

2. The individual furnishes the Company a written undertaking executed personally or on his or her behalf to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; and

3. A determination is made that the facts then known to those making the determination would not preclude indemnification under the law.

The undertaking required by this paragraph will be an unlimited general obligation, but need not be secured and may be accepted without reference to financial ability to make repayment.

D. The indemnification and advance of expenses authorized in these Articles will not be exclusive to any other rights to which any manager, officer, organizer, employee or agent may be entitled under any operating agreement, vote of members or disinterested managers or otherwise. The Articles of Organization may not be interpreted to limit in any manner the indemnification or right to advancement for expenses of an individual who would otherwise be

entitled to such. These Articles of Organization may not be interpreted as mandating indemnification and advancement of expenses to the extent permitted by law.

E. In addition to the foregoing, the Company will indemnify and save the organizers harmless for all acts taken by them as organizers of the Company, and will pay all costs and expenses incurred by or imposed on them as a result of the same, including compensation based on the usual charges for expenditures required of them in pursuit of the defense against any liability arising on account of acting as organizers or on the account enforcing the indemnification right under these Articles, and the Company releases them from all liability for any such act as organizers not involving willful or grossly negligent misconduct.

DATED: August 1, 2002.

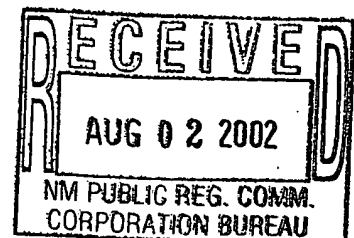
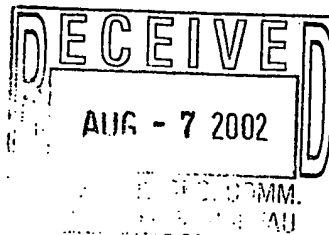
"ORGANIZERS"


ALEX NUGENT

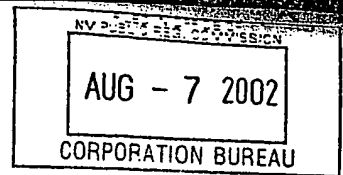

HILLARY RIGGS


LUIS M. ORTIZ

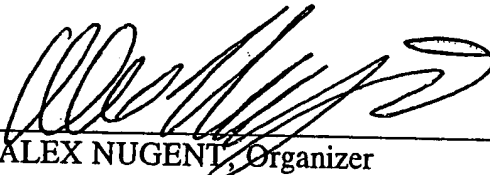

KERMIT D. LOPEZ

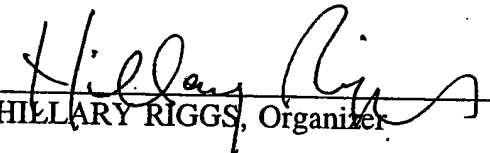


STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)



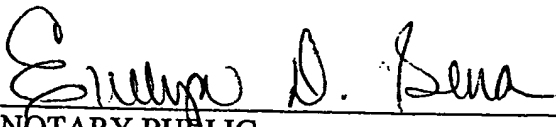
We ALEX NUGENT and HILLARY RIGGS, being first duly sworn, upon oath, depose and say that we are two (2) of the Organizers named in the foregoing Articles of Organization, and we are individually Organizers named in the foregoing Articles of Organization, that we have read the contents of the same and that the statements contained in such Articles of Organization are true and correct.


ALEX NUGENT, Organizer


HILLARY RIGGS, Organizer

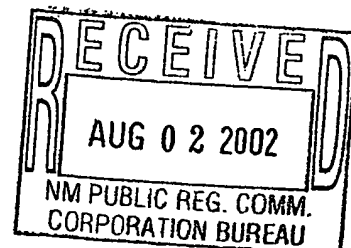
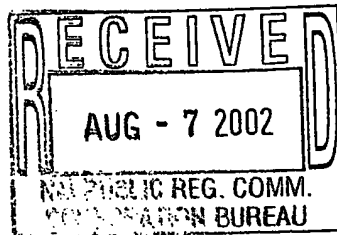
On August 1, 2002, before me personally appeared ALEX NUGENT and HILLARY RIGGS, who being duly sworn by me upon their oaths, deposed and acknowledged that they have read the contents of the foregoing Articles of Organization and further acknowledged that the facts alleged therein are true and correct.

WITNESS MY HAND AND OFFICIAL SEAL.

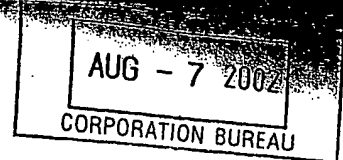

NOTARY PUBLIC

My Commission Expires:
11-07-2004

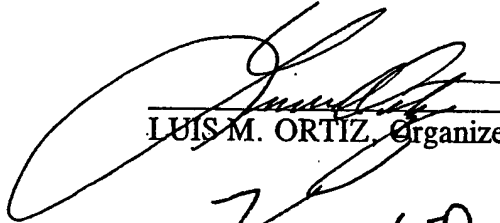
SEAL

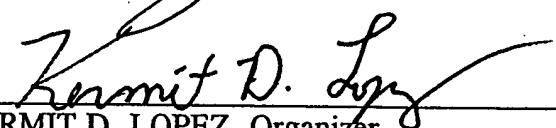


STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)



We LUIS M. ORTIZ and KERMIT D. LOPEZ, being first duly sworn, upon oath, depose and say that we are two (2) of the Organizers named in the foregoing Articles of Organization, and we are individually Organizers named in the foregoing Articles of Organization, that we have read the contents of the same and that the statements contained in such Articles of Organization are true and correct.

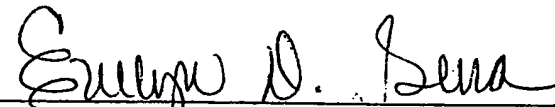


LUIS M. ORTIZ, Organizer


KERMIT D. LOPEZ, Organizer

On August 1, 2002, before me personally appeared LUIS M. ORTIZ and KERMIT D. LOPEZ, who being duly sworn by me upon their oath, deposed and acknowledged that they have read the contents of the foregoing Articles of Organization and further acknowledged that the facts alleged therein are true and correct.

WITNESS MY HAND AND OFFICIAL SEAL.

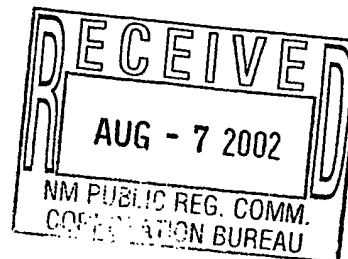


NOTARY PUBLIC

My Commission Expires:
11-07-2004

SEAL

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**AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED REGISTERED AGENT**

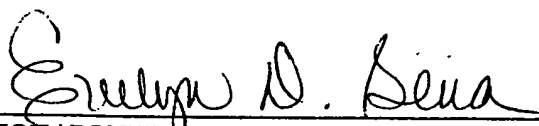
NM PUBLIC REG. COMM.
AUG - 7 2002
CORPORATION BUREAU

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The undersigned hereby accepts appointment as registered agent for KNOWMTECH LLC,
a limited liability company.

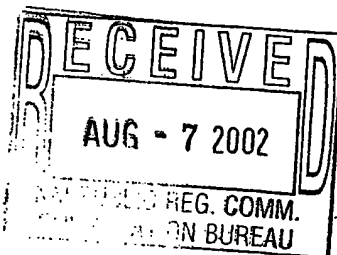

HILLARY RIGGS
1807 Second Street, #28
Santa Fe, New Mexico 87501

Subscribed and sworn to before me on August 1, 2002, by HILLARY
RIGGS, to me known to be the person described in and who executed the foregoing instrument and
acknowledged that she executed the same as her free act and deed.

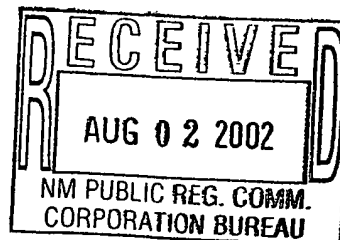

NOTARY PUBLIC

My Commission Expires:

11-07-2004



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**OPERATING AGREEMENT
OF
KNOWMTECH
LIMITED LIABILITY COMPANY**

**REGULATION I
OFFICE**

The principal office of the company in the State of New Mexico will be located at 1807 Second Street, #28, Santa Fe, New Mexico 87501. The company may have other offices, either within or without the State of New Mexico, as the management may designate or as the business of the corporation may require.

The registered office of the company required by the New Mexico Limited Liability Act to be maintained in the State of New Mexico may be, but need not be, identical with the principal office, and may be changed from time to time by the management.

**REGULATION II
MEMBERS**

Section 1. Annual Meeting. The annual meeting of the members will be held at the office of the company on the 28th day of December of each year, commencing December 28, 2002, or at such other time as the members may specify by majority vote; provided, however, that the initial meeting shall be held on August 1, 2002. The annual meeting will be for the transaction of business as may come before the meeting; including election of officers, and, if desired, the selection of management on the terms and conditions as may be determined by a majority in interest of the members. If the day fixed for the annual meeting is a legal holiday in the State of New Mexico, the meeting will be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the members, for any purposes described in the meeting notice, may be called by a majority of the members. Unless waived, written or printed notice stating the place, day, hour and purpose of the meeting must be delivered to each member at least 24 hours prior to the meeting.

Section 3. Quorum. Members holding a majority in interest in the company and entitled to vote, represented in person or by proxy, will constitute a quorum at a meeting of members. Unless otherwise required, a vote by 51% of the ownership interest is necessary and sufficient to conduct business.

Any decision to employ a member as an employee of the LLC, or to approve the sale, pledge or other hypothecation or disposition of all or substantially all of the assets of the LLC, or to approve the merger or consolidation of the LLC, shall require a seventy-five percent (75%) vote of the ownership interests entitled to vote.

Section 4. No Cumulative Voting. At each election for members of any executive committee, every member entitled to vote at the election will have the right to vote, in person or by proxy, the interest owned by the member for each vacancy. Cumulative voting shall not be allowed.

Section 5. Informal Action by Members. Action required or permitted to be taken at a members' meeting may be taken without a meeting if notice of the proposed action is given to or waived by all members entitled to vote on the action, or if all of the members attend and participate in such meeting, other than to object to lack of notice.

Section 6. Right of First Refusal. In the event a member desires to sell all or any part of her or his ownership interest in the LLC, the other members shall have the right of first refusal to purchase the interest a member offers for sale on the same terms and conditions and for the same purchase price as the seller member receives in writing from a prospective purchaser who is not a

member of the LLC. In the event an existing member purchases all or part of another member's interest in the LLC, the purchasing member's voting interest shall be increased by the percentage interest purchased. Existing members shall have the right to purchase a selling member's interest pro rata to their ownership interest prior to purchase, but if an existing member does not exercise her or his right of first refusal, that right may be exercised by the other members pro rata to their ownership interests in the LLC.

A member may transfer all or a portion of her or his interest in the LLC to another member at any time for any consideration and without the approval of the other members, and such transferred interest shall be entitled to full voting rights.

REGULATION III MANAGEMENT

Section 1. General Powers. The business and affairs of the company will be managed by the members.

Section 2. Manner of Acting. The act of the majority of the members present at a meeting at which a quorum is present will be the act of the members.

Section 3. Informal Action by Members. Any action required to be taken at a meeting of members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members, or if all of the committee members attend such meeting and participate in such meeting, other than to object to lack of notice.

REGULATION IV OFFICERS

Section 1. Number. The officers of the company will be a President, two (2) Vice-Presidents, a Secretary and a Treasurer, each of whom will be elected or appointed by the members.

Other officers and assistant officers, as may be deemed necessary, may be elected or appointed by the members. Any two or more offices may be held by the same person, except the offices of the President and Secretary.

Section 2. Election and Term of Office. The officers of the company to be elected by the members will be elected annually at the first meeting of the members and will serve at the pleasure of the members.

Section 3. Removal. Any officer or agent elected or appointed by the members may be removed by the members whenever, in their judgment, the best interests of the company would be served by the removal, but the removal will be without prejudice to the contract rights, if any, of the person removed.

Section 4. President. The President will be the principal executive officer of the company and, subject to the control of the members, will in general supervise and control all of the business and affairs of the company. When present, the President will preside at all meetings of the members. The President may sign, with the Secretary or any other proper officer of the company authorized by the members, certificates for membership of the company, any deeds, mortgages, bonds, contracts or other instruments except those required by law, by this Operating Agreement or by the members to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the members from time to time.

Section 5. Vice-President/Director of Licensing/General Counsel. The Vice-President/Director of Licensing/General Counsel will be responsible for legal transactions, coordination and negotiations with third parties, drafting of licensing agreements, coordination of funding transactions, and will be responsible for maintaining the company's corporate compliance with the State of New Mexico. The Vice-President/Director of Licensing/General Counsel will

coordinate with Directors of Technology and IP Strategy regarding company IP exploitation strategy, identification of target industries and third parties, and license marketing efforts and will coordinate with Director of IP Strategy regarding status of IP portfolio (e.g., preparation and prosecution activities).

Section 6. Vice-President/Director of Intellectual Property Strategy/Patent Counsel.

The Vice-President/Director of Intellectual Property Strategy/Patent Counsel will be responsible for protecting, managing and maintaining IP company assets. The Vice-President/Director of Intellectual Property Strategy/Patent Counsel will be responsible for coordinating with the General Counsel and the President regarding technological innovation and development and will coordinate with Director of Licensing to confirm IP exploitation strategies and synergy with IP exploitation strategies.

Section 7. Secretary. The Secretary will: (a) prepare and keep the minutes of the members meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Operating Agreement or as required by law; (c) be custodian of the company records and of the seal of the company and see to it that the company seal is affixed to all documents the execution of which on behalf of the company under its seal is duly authorized; (d) keep a register of the post office address of each member; (e) sign with the President or a Vice-President certificates for the membership of the company, the issuance of which shall have been authorized by resolution of the members; (f) have general charge of the membership transfer books of the company; (g) authenticate records of the company; and (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the members.

Section 8. Treasurer. The Treasurer will: (a) have charge and custody of and be responsible for all funds and securities of the company; receive and give receipts for monies due and payable to the company from any source whatsoever, and deposit all the monies in the name of the company in the banks, trust companies or other depositories selected in accordance with the provisions of Article V of this Operating Agreement; and (b) in general perform all of the duties incident to the office of treasurer and other duties as from time to time will be assigned to the Treasurer by the members.

REGULATION V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The members may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the company, and the authority may be general or confined to specific instances.

Section 2. Loans. No loans may be contracted on behalf of the company and no evidence of indebtedness may be issued in its name, unless authorized by a resolution of the members. The authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the company may be signed by such officer or officers, agent or agents, of the company and in the manner as determined from time to time by resolution of the members.

Section 4. Deposits. All funds of the company not otherwise employed will be deposited from time to time to the credit of the company in the banks, trust companies or other depositories as the members may select.

REGULATION VI
CERTIFICATES FOR MEMBERSHIP AND THEIR TRANSFER

Section 1. Certificates for Shares. Membership interest shares will be represented by certificates. Certificates representing membership of the company will be in the form as determined by the members. Such certificates shall be signed by the President and by the Secretary.

Section 2. Transfer of Interests. Transfer of interests of the company may be made only on the interest transfer books of the company.

Section 3. Restriction on Transfer of Shares. Assignment or transfer by operation of law of a membership interest or a limited liability company interest shall be controlled by NMSA 1978, '53-19-32.

REGULATION VII
FISCAL YEAR

The fiscal year of the company will begin on the 1st day of January and end on the 31st day of December.

REGULATION VIII
SEAL

The members may provide a company seal which will be circular in form and will have inscribed on it the name of the company and state of organization and the words, "Company Seal".

REGULATION IX
WAIVER OF NOTICE


Whenever any notice is required to be given to any member of the company under the provisions of this Operating Agreement or under the provisions of the Articles of Organization or under the provisions of the Limited Liability Company Act, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated in this Agreement will be deemed equivalent to the giving of the notice.

**REGULATION X
AMENDMENTS**


This Operating Agreement may be altered, amended or repealed and a new Operating Agreement may be adopted by vote of seventy-five percent (75%) of the ownership interest entitled to vote.

CERTIFICATION

We, all members, certify that the foregoing constitute the Operating Agreement of KNOWMTECH LLC, a limited liability company as of the 1 day of August, 2002.



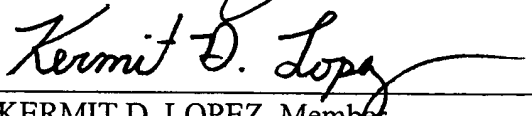
ALEX NUGENT, Member



LUIS M. ORTIZ, Member



HILLARY RIGGS, Member

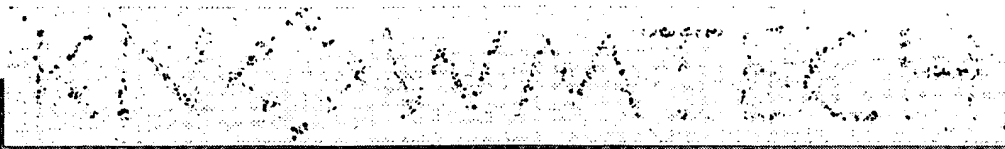


KERMIT D. LOPEZ, Member

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EXHIBIT C

KnowmTech web page: <http://www.knowmtech.com/aboutUs.htm>



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BACKGROUND

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KNOWM

METHODOLOGY

FRACTAL MEMORY

UNIVERSAL LOGIC

Alex Nugent— Inventor, President

Alex Nugent has explored a multidisciplinary approach to designing nanocomputational systems, bridging the fields of microelectronics, neuroscience, liquid-particle physics and machine learning. He earned a degree in physics from Whitman College in 2003, worked at Los Alamos National Laboratory on active fault tolerant systems for nanocomputing in 2003-04 and commenced a PhD track in electrical engineering at the University of Washington in the Fall 2004. Alex has currently placed his PhD on hold to further the Knowm™ concept and see it through commercial development.

Hillary Riggs —Investor, Facilitator

Hillary Riggs earned her BFA from the Instituto Allende, a branch of the University of Guanajuato, in San Miguel de Allende, Mexico. As part of her academic program she spent a year in Europe in an intensive, independent study of art history. Her interest has always extended to the scientific world as well. From an early age her aspirations were almost equally divided between neuroscience and art. Her current work reflects both the disciplined thinking of science and the passion of art.

After spending most of her first 30 years in Mexico, Hillary Riggs moved to New Mexico in 1981 and started Sombraje, a highly successful and influential business that established her position in the world of southwest furniture design. With Sombraje she began a model of creative collaboration which she has continued throughout her career. In 1995 she sold Sombraje to Ernest Thompson Furniture, and immediately started another company, Quimera, manufacturing one-of-a-kind art furniture.

In 2002 Riggs became a partner in KnowmTech. In 2004 she collaborated in the formation of Galloping Galleries, a small company that creates and publishes CD Audio Road Trips of New Mexico. Hillary Riggs continues to make art, showing in galleries and working on private commissions.

Kermit Lopez —Director of Patent Strategy/Patent Counsel

Kermit Lopez's practice is principally focused on the preparation and prosecution of patent and trademark applications both domestic and foreign, and the management and development of intellectual property portfolios. His practice also covers registration of copyright and trade secret rights. He has prosecuted patent applications in the electrical, electronics, data processing, nanotechnology, telecommunication, electro-mechanical, mechanical and nanotechnology areas.

Mr. Lopez is from Albuquerque, New Mexico. He previously served as in-house counsel to Sandia National Laboratories and Ericsson, Inc. and as a patent attorney with the law firm of Felsman, Bradley, Gunter & Dillon in Austin, Texas and Bickel & Brewer in Dallas.

Luis Ortiz —Director of Licensing/General Council

Luis Ortiz's practice covers all aspects of intellectual property including the licensing, acquisition and protection of patent, trademark, copyright and trade secret rights. In particular, he specializes in counseling and representing clients with respect to licensing, patent acquisition and infringement matters. He has prosecuted patent applications in the electrical, electronics, telecommunications, data processing, electro-mechanical and mechanical areas, and his experience includes preparation of both domestic and foreign patent applications, and appeals to the Board of Patent Appeals.

Mr. Ortiz is from Santa Fe, New Mexico and served as in-house patent counsel at Xerox Corporation, Nortel Networks, and the Department of Energy. He was also a patent attorney with the law firms of Gardere & Wynne and Bickel & Brewer in Dallas, Texas, where he provided counsel and representation to Honeywell, GE Capital, Texas Instruments and Ericsson.

Mr. Ortiz is active as a Major in the Air Force Reserve Judge Advocate General's (JAG) Corp. In his JAG capacity Mr. Ortiz' government clients have included the U.S. Air Force Material Command and the Army & Air Force Exchange Service.

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